

ENVIRONMENTAL SERVICES DEPARTMENT

Impact Analysis Report

OVERVIEW

The Environmental Services Department administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB939), which are described further in Exhibit A, and Franchise Application Fees.

Projected fee revenue for 2004-2005 totals \$2.7 million. This represents a \$500,000 decrease from last year as a result of the continuation of the three-year fee shift strategy between AB939 and Franchise Fees adopted as part of the 2002-2003 Adopted Operating Budget.

SUMMARY AND IMPACT OF PROPOSED FEE REVISIONS

Commercial Solid Waste AB939 Fee – The Commercial Solid Waste AB939 fees are proposed to decrease from \$0.60 to \$0.50 for loose commercial solid waste and \$1.80 to \$1.50 for compacted commercial solid waste with a corresponding increase in Commercial Solid Waste Franchise Fees. The total Commercial Solid Waste fee load, which includes AB939 and

Franchise Fees, would remain the same at \$3.84 per cubic yard (for loose waste) as there is a corresponding increase in Commercial Solid Waste Franchise Fees (to be adopted through a separate resolution outside this document).

Landfill AB939 Fee – Effective July 2003, the countywide AB939 Fee charged at landfills and transfer stations was increased to a total of \$3.35 per ton of disposed waste. Pursuant to agreements between San José and Santa Clara County, \$1.50 per ton of this amount is distributed to the cities for activities related to recycling and \$1.85 is used by the County and cities for Household Hazardous Waste programs. The City does not collect the fee authorized by resolution as long as the countywide fee is in effect.

NOTIFICATION

General public notice of proposed fees will be provided through published Council hearing dates and a minimum of ten days for public review of the 2004-2005 Proposed Fees and Charges Report.

DEPARTMENTAL FEES & CHARGES
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Service	Adopted 2003-2004 Fee	Council Policy Cost Recovery Category	Adopted Cost Recovery %	Proposed 2004-2005 Fee	2004-2005 Estimated Cost	Estimated 2004-2005 Revenue		% Cost Recovery	
						Current Fee	Proposed Fee	Current Fee	Prop'd Fee
1. SOURCE REDUCTION & RECYCLING*		Category II							
a. Commercial Solid Waste	\$0.60/uncompacted cubic yard collected; \$1.80/compacted cubic yard collected (paid by generators)		N/A	\$0.50/uncompacted cubic yard collected; \$1.50/compacted cubic yard collected (paid by generators) - effective August 1, 2004 No Change	N/A	1,857,038	1,582,989	N/A	N/A
	\$13.33 per ton collected from from City facilities								
b. Landfill	\$3.35 per ton (\$1.50 per ton San José portion - fee collected by County; \$1.85 per ton - fee collected by County for Household Hazardous Waste Programs**)		N/A	No Change	N/A	1,083,000	1,083,000	N/A	N/A
2. FRANCHISE APPLICATION FEES		Category I							
Commercial Solid Waste Application Fee	\$195 per application		100.0%	No Change	400	400	400	100.0%	100.0%
SUBTOTAL			N/A		400	2,940,438	2,666,389	N/A	N/A
TOTAL DEPARTMENT - GENERAL FUND					N/A	N/A	N/A	N/A	N/A
TOTAL DEPARTMENT - NON-GENERAL FUND					400	2,940,438	2,666,389	N/A	N/A
TOTAL DEPARTMENT - CATEGORY I					400	400	400	100.0%	100.0%
TOTAL DEPARTMENT - CATEGORY II					N/A	2,940,038	2,665,989	N/A	N/A
TOTAL DEPARTMENT					400	2,940,438	2,666,389	N/A	N/A

* Commercial Solid Waste and Landfill Fees are set to encourage recycling. These fees are not based on direct program costs.

** San José receives only a portion of these fees collected by the County based on surplus available from the County after administration of the program.

DEPARTMENTAL FEES AND CHARGES

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Exhibit A

SOURCE REDUCTION AND RECYCLING ELEMENT PROGRAMS FUNDED FROM AB939 FEES

General Solid Waste Management

Provides oversight, analysis and coordination of all Source Reduction and Recycling Element programs and activities.

Source Reduction

Provides public information and education, establishment of an advisory committee to assist in the development of a Source Reduction Implementation Plan, sampling of public opinion to determine attitudes about source reduction issues, and evaluation of different types of educational approaches, including back yard composting programs.

Commercial Recycling

Provides outreach, technical assistance and educational assistance to the commercial sectors of the City. Also manages non-exclusive hauling franchises. Develops and implements programs to reach the City's waste reduction and diversion goals.

Evaluation Component

Provides evaluation of the effectiveness of and participation rates for the department's recycling programs, and makes recommendations for improving programs.

Market Development

Provides policy and technical analysis, program promotion, contingency planning, legislative advocacy, expansion of local recycling manufacturing activities, and expansion of City procurement of recycled products.